2011-2012 ANNUAL REPORT

Ontario Tourism Marketing Partnership Corporation

ONTARIO *Yours to discover* | OTMPC

An agency of the Government of Ontario

BOARD OF DIRECTORS, 2011–2012

(terms listed below as per year-end 2011-12)

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General Director, Stratford Shakespeare Festival
Stratford
December 5, 2011-April 12, 2014

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Owner, Canoe Canada Outfitters
Atikokan
September 19, 2011-September 19, 2012

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North York
March 23, 2011-March 22, 2014

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Vice President, Toronto Metro, HSBC Bank Canada
Toronto
October 20, 2010-October 19, 2013

Mr. Allan Luby
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Kenora
June 26, 2011-June 10, 2013

Mr. Jim Marchbank
Former Chief Executive Officer, Science North
Sudbury
September 23, 2011-September 23, 2012

Mr. Chisanga Puta-Chekwe
Deputy Minister, Ministry of Citizenship and Immigration
Toronto
March 2, 2011-March 1, 2014

Mr. Brian Richardson
Vice-President, Brand Marketing and Communications, Fairmont Hotels & Resorts
Toronto
June 10, 2011-June 10, 2013

Mr. Jack Robinson
Chief Executive Officer, CN Tower
Toronto
June 10, 2011-June 10, 2012

Mr. Sabir Sami
President, Yum! Restaurants Canada Inc.
Vaughan
February 9, 2011-February 8, 2014

Mr. Gregory Treffry
Vice-President, Partner Development Shaw Media Inc.
Toronto
February 9, 2011-February 8, 2014

MANDATE, MISSION, VISION

Mandate

OTMPC is governed by Ontario Regulation 618/98 made under the *Development Corporations Act*. Its mandate, as provided for in the regulation, is:

(a) to market Ontario as a travel destination;
(b) to undertake joint marketing initiatives with the tourism industry;
(c) to support and assist the marketing efforts of the tourism industry; and
(d) in cooperation with the tourism industry, the Government of Ontario, other governments and other agencies of governments, to promote Ontario as a travel destination.

The following principles support the mandate:

(a) OTMPC is to lead the marketing of Ontario as a travel destination nationally and internationally;
(b) OTMPC and regional organizations are to work together to market travel within Ontario;
(c) OTMPC is to deliver marketing services that contribute to regional and economic development;
(d) OTMPC is to become a centre of excellence supporting provincial marketing; and
(e) OTMPC is to engage in partnerships to support the above objectives.

Mission

To grow Ontario's tourism sector year-round by stimulating increased consumer spending and visits and by generating greater partnership participation. The Corporation works strategically, proactively and collaboratively with the tourism industry to market Ontario's tourism experiences and leverage multi-year marketing opportunities and investments in key markets. By working to improve continuously and evolve as a successful private/public partnership, OTMPC plays a key role in strengthening Ontario's tourism economy and establishing Ontario as a premier, year-round destination.

Vision

To inspire travellers to discover Ontario.

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MESSAGE FROM THE CHAIR

Over 2011-12, OTMPC has moved forward significantly to implement structural changes, resulting in transformation that reinforces the agency's role in marketing Ontario tourism well into the future decade.

In 2011-12, the Ontario Tourism Marketing Partnership Corporation (OTMPC) contributed to significant growth in tourism visitation and spend, expanding market share in established markets and helping to generate double digit increases in arrivals from emerging markets. Given that 80 per cent of Ontario tourism visitation involves Ontarians, resulting in 60 per cent of spend, OTMPC remains committed to partnerships with Regional Tourism Organizations (RTOs), Destination Marketing Organizations (DMOs), sector associations and tourism operators to optimize provincial visitation.

Enhanced provincial, national, and international visitation and spend has been achieved through targeted investments in OTMPC's inventory of visual content, the production of new promotional materials for multiple markets, and highly successful marketing campaigns within Ontario that generated a return on investment (ROI) of $15.50 for every dollar invested.[1] The 2011-12 marketing strategy involved ongoing partnership with the Canadian Tourism Commission (CTC) in overseas markets. In the domestic market, OTMPC produced a series of vignettes for regional-focused television campaigns in Ontario, and included a series of training seminars designed to assist the industry with differentiating their tourism assets within the national context.

We were particularly proud to partner with the Investment Development Office of the Ministry of Tourism, Culture and Sport to deliver the 2011 International Indian Film Academy (IIFA) awards in Toronto in June 2011. The event was broadcast worldwide, attracting millions of television viewers! Moving forward, OTMPC will engage in a Newcomers to Ontario program designed to encourage recent immigrants to discover the tourism assets throughout the province.

Once-in-a-lifetime travel experiences put Ontario on the international map. From exhilarating attractions like Niagara Parks Commission's Journey Behind the Falls to cultural pursuits like Shaw Festival's A Look Behind the Curtain and Fort Henry's Sunset Ceremonies, to outdoor adventures like Gananoque's Lost Ships of the 1000 Islands Cruise – all of these unique offerings were selected this year to be among 10 Ontario signature experiences in the CTC's collection of compelling reasons to visit Canada.

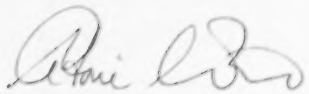
OTMPC engaged in new partnerships with the RTOs to promote the diverse array of quality experiences available across the province. The 2011 Ontario Tourism Summit, hosted in Hamilton in partnership with the Tourism Industry Association of Ontario (TIAO), was successful in spotlighting the region and bringing industry together to discuss priority topics. The review of the Tourism Event Marketing Partnership Program (TEMPP) and the Industry Partnership Proposal Program (IPPP) was completed. In the meantime, we invested $2.4 million to

1 Source: Brand and Advertising Tracking Study - Ontario Market, TNS Canadian Facts, 2011

enhance the marketing of 122 festivals and events. OTMPC was pleased to partner with Tourism Toronto, Air Canada, and the Greater Toronto Airport Authority to engage American visitors, and to partner with Festivals and Events Ontario, Attractions Ontario and Ottawa Tourism to grow provincial and international business.

The Board embraced change this past year, including new corporate by-laws affirming the role of Standing Committees of the Board of Directors, including the Executive Committee and its Human Resources Sub-Committee, the Governance and Nominations Committee, and the Finance, Audit and Risk Committee. The OTMPC Northern Committee was revitalized, and terms of reference were approved for three new advisory committees: RTO Advisory Committee, Sector Advisory Committee and the Marketing Metrics Committee. A balanced scorecard was developed to enable effective measurement of OTMPC's organizational effectiveness, partnership leverage, marketing excellence, and contribution to economic growth. Behind the scenes, OTMPC developed a comprehensive Request for Proposal for renewal of the Tourism Consumer Information System, initiated detailed financial analyses of budgets, and undertook budget reductions to achieve efficiencies across the agency. OTMPC continued to invest in research, working to complete the Consumer Insight Research project in collaboration with the RTOs, conducting creative testing focus groups in China, the United Kingdom and Germany, and preparing to launch an Ontario International Tourism Brand project intended to drive future marketing endeavours in the Americas and overseas.

In conclusion, it has been an exhilarating year. I have greatly valued the contributions of my fellow Board members, and appreciated the insight and wisdom of both The Honourable Michael Chan, Minister of Tourism, Culture and Sport, and Deputy Minister Steven Davidson. As we move forward, OTMPC looks forward to enhanced collaboration and partnerships that will help us achieve the goal of increasing tourism visitation and spend over the coming decade.



Antoni Cimolino
Chair
Ontario Tourism Marketing Partnership Corporation

MESSAGE FROM THE PRESIDENT

OTMPC represents an excellent investment in the future economic strength of the province of Ontario, with great new potential from our overseas visitors!

The 2011-12 year for the OTMPC was one of significant success and return on investment. Campaigns proved enticing to provincial, national and international consumers, research informed future directions, marketing excellence was underscored by several awards, partnerships exceeded expectations, and teams worked closely with external stakeholders to deliver quality results.

Research formed the basis of much creative thinking and ROI analysis over the course of 2011-12, as OTMPC continued to invest in understanding consumer preferences and responses to various campaigns. For the first time, OTMPC invested in creative consumer testing in China, the United Kingdom and Germany, with a view to sustaining established markets and growing emerging markets. OTMPC's Ontario International Tourism Brand, currently being developed, holds much promise for attracting foreign dollars to our shores. And our Consumer Insight Research collaboration with the RTOs holds much promise for growing visitation within the province.

Assessments of OTMPC's 2011 Ontario campaigns indicated that survey respondents were encouraged to feel good about Ontario, engaged in learning about the province and, most importantly, were more interested in travelling in Ontario. Regionally-focused television commercials sparked increased visitation to Old Woman Bay in North Central Ontario, Pelee Island in Southwest Ontario, the Toronto Zoo, and the Canadian Warplane Heritage Museum in Hamilton, Halton and Brant region. Survey results also recommended the need to balance regional diversity with the cohesive power of the Ontario brand to stimulate sustained interest and frequency.

The overall 2011 Ontario campaign was developed in the context of consumer inputs and product differentiation derived from embracing core experience areas. OTMPC's Northern Partnerships team focused on driving visitation to RTOs 12 and 13, with a province-wide emphasis on angling, outdoors and motor touring. Marketing partnerships with six RTOs drove preparations for the

commemoration of the War of 1812. The 2011 *ONTARIO* magazine won a Canadian Online Publishing Award for its transition to a tablet edition, and the 2011 Quebec campaign featuring photographs of Ontario by Quebec visitors was awarded a Prix Media in Montreal!

The agency's Tourism Consumer Information System remains at the core of tourism marketing, given tourist preferences for online communications and promotion. Social marketing, including blogs, Twitter, Facebook, Flickr, YouTube and other channels formed the basis for a social media strategy, with partnership packages driving consumer interest.

The OTMPC overseas team welcomed literally hundreds of journalists and tour operators, on familiarization trips and at Rendez-vous Canada in Québec City. The media relations team generated the equivalent of $65 million in coverage, a demonstration of the power of earned media. OTMPC partnered with CTC for consumer campaigns for the first time in the emerging markets of China and India.

In the mature markets of the U.K. and France, OTMPC leveraged the reach of the CTC consumer campaigns to generate high responses and leads to partners.

The Ministry's IIFA (International Indian Film Academy) team, which included OTMPC staff, won an Amethyst Award for its contribution to growing awareness of and visitation to Ontario particularly from South Asian communities around the world.

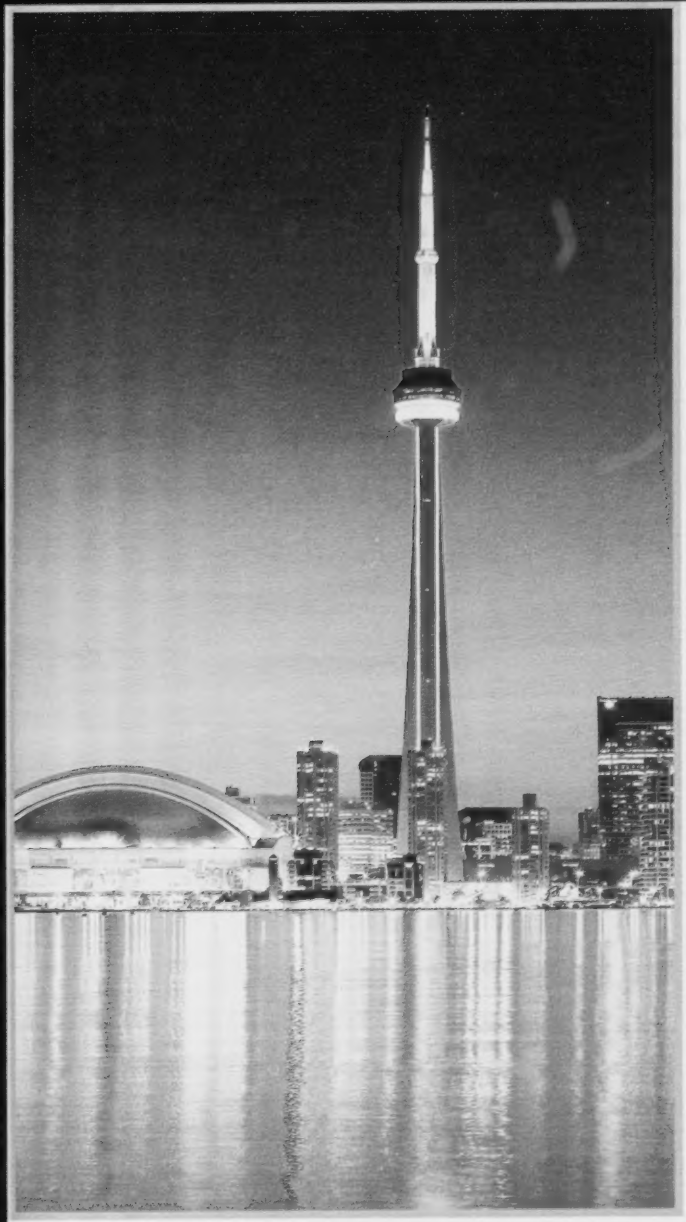
OTMPC worked with RTOs to focus on the U.S. mid-market. For example, OTMPC was delighted to partner with Tourism Toronto and The Tourism Partnership of Niagara to bring talk show host Jimmy Kimmel and his sidekick Guillermo Rodriguez to southern Ontario for a week. Although day trips from the U.S. continue to decline, for overnight trips this trend is forecast to reverse in the next few years.

OTMPC's sales and partnerships team did a great job leveraging cash and in-kind, mutually beneficial business relationships with RTOs, DMOs and industry operators. In the first quarter of 2011-12, the team achieved a remarkable $1 million in secured revenues, essential to extending the reach of OTMPC's budget in the following fiscal year. TEMPP and IPPP funding continued to support a wide array of festivals, events, attractions and partnerships with a heightened focus on growing visitation and spend.

Behind the scenes, OTMPC worked diligently to deliver the recommendations of the previous program review and organizational assessment, resulting in structural changes that will bolster effectiveness into the future. Of particular note, OTMPC was awarded the National Quality Institute's Level One certification in recognition of its commitment to organizational excellence.

OTMPC staff look forward to building on great work started this year as we move forward to 2012-13 and beyond.

Ronald Holgerson
Interim President & CEO
Ontario Tourism Marketing Partnership Corporation



CORPORATE OVERVIEW

Core Functions

Consumer Marketing
OTMPC's consumer marketing efforts use a targeted multi-media approach to connect with provincial, national and international consumers. Mass media is used to build awareness of Ontario as a great destination and to motivate consumers to seek more information online. OTMPC's digital strategy is to accelerate the travel purchase decision so that consumers can plan, book and share their travel to Ontario with ease.

Tourism Consumer Information System (TCIS)
TCIS is a digital marketing channel that assists all local and international consumers who are considering travel to Ontario and all industry partners who serve visitors to Ontario. TCIS maintains the consumer and corporate facing websites that promote experiences and travel packages, provide information to potential visitors and offer tools and information to the tourism industry. Also included is the permission-based consumer database, consumer contact centre, a literature delivery service and a bulk distribution centre.

1-800-Ontario Call Centre
The 1-800-Ontario Call Centre staff provide travel information to prospective visitors to Ontario.

Media Relations
OTMPC undertakes to develop and maintain close working relationships with members of the media in priority Canadian, U.S. and overseas markets with special emphasis on customized individual media tours, as well as media marketplaces and events.

Travel Trade
OTMPC promotes and facilitates the sale of Ontario market-ready tourism products and experiences by working closely and directly with tour operators, wholesalers and travel agents. The Ontario brand is promoted through joint marketing campaigns, trade conventions, marketplaces and select events in domestic, U.S. and overseas markets.

Northern Ontario
A specific program is designed to foster visitation to Northern Ontario, focusing on marketing the province's angling, hunting, motor touring and world-class outdoors.

Industry Relations
The industry relations unit works to effectively partner with the tourism industry to market Ontario as a year-round travel destination.

Partner Sales
OTMPC offers its partners the opportunity to market their products under the Ontario tourism brand and to enter important or new markets that might be challenging to access on their own. Sales efforts assist industry partners to reach visitor markets with strong, compelling messages linked to a multi-million dollar annual program.

Ontario Travel Information Centres (OTICs)
Travel centres are Ontario's official welcome centres. Operated and staffed by trained counsellors, OTMPC's centres provide visitors with essential, practical, on-the-spot information and advice on where to go and what to see and do in Ontario.

Meetings, Conventions & Incentive Travel (MC&IT)
OTMPC markets Ontario's diverse meeting destinations and products through industry partnership activities to generate increased leads through strategic sales and marketing in Canada, the U.S. and overseas.

Corporate Communications
Working closely with marketing, sales and media relations staff, corporate communications develops and implements targeted, strategic communications and public relations programs that proactively enhance OTMPC's profile with external and internal audiences. The annual Ontario Tourism Summit, a business conference for approximately 500 tourism executives, provides education and networking opportunities.

CORPORATE GOVERNANCE

The Directors sit on various committees of the Board, including the Executive Committee with an HR Sub-Committee, the Finance, Audit and Risk Committee, and the Governance and Nominations Committee. OTMPC works with more than 100 committed industry members through its corporate governance structure.

In 2011-12, through implementation of the recommendations of an organizational assessment, the Board adopted three distinct Board Committees:

Executive Committee
Sets priorities and recommends objectives and strategies to the Board.

Finance, Audit and Risk Committee
Reviews financial performance and ensures that effective operating controls are in place.

Governance and Nominations Committee
Undertakes assessment of directors' skills, succession planning and recruitment for Board and advisory committees.

Advisory Committees

The Board relies on input from industry committees reporting through committee chairs. Formerly comprised of five committees, 2011-12 was a transition year to a new advisory committee structure.

In previous years, the Market Performance Assessment Committee and five marketing committees (North America, Northern Tourism Marketing, Overseas, Outdoor, and Meetings, Conventions and Incentive Travel) provided input into marketing strategies and programs.

In 2011-12, the OTMPC Board restructured the advisory committees to include:

- an **RTO Advisory Committee**, that supports the coordination, collaboration and alignment of RTO and OTMPC marketing programs and brand;
- a **Sector Advisory Committee** that focuses on tourism experiences as well as brand, core and emerging markets;
- a **Marketing Metrics Committee** to ensure appropriate performance measures are in place and reported, and;
- the current **Northern Tourism Marketing Committee** that was extended for up to two years to identify, develop and monitor marketing strategies, tactics and programs for key Northern Ontario markets.

OPERATIONAL PERFORMANCE

In 2011-12, OTMPC focused its activities on five signature deliverables:

1. CONSUMER FOCUS: STRENGTHEN INFORMATION SERVICES AND LEAD CONSUMER RESEARCH
2. MARKETING EXCELLENCE: LEAD THE EVOLUTION OF ONTARIO'S INTERNATIONAL TOURISM BRAND AND STRENGTHEN TARGETED MARKETING APPROACHES
3. EFFECTIVE PARTNERSHIPS: EXPAND AND ALIGN PARTNERSHIPS WITH THE MARKETING STRATEGY
4. STRONG TEAM: IMPROVE ORGANIZATIONAL EXCELLENCE
5. RESULTS DRIVEN: BUILD OTMPC'S REPUTATION AS A HIGH-PERFORMING TOURISM MARKETER

Final results for these deliverables are outlined in the following performance tables.

1 CONSUMER FOCUS:

Strengthen information services and lead consumer research.

Tourism Consumer Information System (TCIS)

Increasingly, consumers around the world are using digital channels (website, search engines, e-mail, social networks and mobile) to help them make travel purchase decisions. For this reason, implementation of its digital strategy and the modernization of the TCIS system are priorities for OTMPC. The current TCIS system, launched in 2002, consists of 10 websites in eight languages; a contact centre (responds to 180,000 inquiries each year); a distribution service (providing 150,000 brochures, magazines and maps); and a database that allows OTMPC to stay in touch with 260,000 consumers and almost 16,000 industry operators.

OTMPC has obtained government approval to competitively procure a vendor to modernize the TCIS system. Future upgrades to TCIS will provide a one-stop digital information hub that offers consumers tools such as trip planning, interactive maps, photo/video galleries, user reviews, mobile-friendly tools, access to social/collaborative tools and more. An Executive Oversight Committee, Steering Committee and a Working Group were established to provide project governance and a Fairness Commissioner was selected to ensure no incumbent advantage or disadvantage.

Ontario Travel Information Centres

In 2011-12, OTMPC continued to work in partnership with the Ministry of Transportation (MTO) to implement travel information services as part of the revitalization of the MTO's 23, 400-series highway ONroute service centres. New electronic information kiosks have been installed in 15 new ONroute service centres along Highway 401. These kiosks provide travellers with 24/7 access to tourism information and complement OTMPC's ongoing travel services via its network of provincial travel centres. It is expected that the electronic kiosks will expand to 23 service centres by mid-2014. OTMPC also established the first-ever capacity for WiFi zones that enable mobile consumers to access information through an application on their own mobile device.

Consumer Insight Research

Given the establishment of Ontario's tourism regions in 2010-11, research information was needed on a regional level in order to develop consumer insights that align marketing efforts across regions and province-wide. A Consumer Insight Research project was initiated in 2011-12 to provide OTMPC and the RTOs with in-depth information on travel behaviour in Ontario, determine best target consumer segments on a regional level and provide detailed trip and traveller profiles for each of the segments. In 2011, OTMPC secured commitment from all 13 RTOs to partner on consumer insight research to identify best prospect customers by region and across the province. With a supplier in place and research underway, OTMPC and the RTOs expect to have detailed reports and data to support their marketing decisions by the fall of 2012.

International Consumer Perceptions Research

OTMPC began global consumer research to initiate an Ontario International Tourism Brand that will resonate strongly with out-of-province and international travellers. The objective is to develop an inspiring and unifying positioning strategy that reinforces the province's position as a world-class tourism destination.

Program	Objective	Performance Measure	2010-11 Actual	2011-12 Target	2011-12 Results
Ontario Travel Information Centres	To increase visitation to the Ontario Travel Information Centres	Number of visitors to the Ontario Travel Information Centres	1.0M	1.0M	928K
	To increase the number of direct interactions between consumers and travel counsellors	Number of consumer inquiries serviced	400K	360K	364K
Consumer Website	To provide information and generate interest in travel to Ontario	Web visits	N/A	Benchmark year: Establishing targets in fiscal 2011-12 [1]	3.8M

1 Agency changed measurement methodology regarding the establishment of web benchmark for fiscal 2011-12

2 MARKETING EXCELLENCE:

Lead the evolution of the Ontario brand and strengthen target marketing approaches.

Summer

A main priority for OTMPC is the continuous promotion of Ontario's brand image throughout the year. In the summer of 2011, OTMPC introduced the "My Ontario" campaign, which included a series of TV ads featuring Ontarians sharing their personal travel stories about Ontario. The campaign, which was intended to drive consumers to plan and purchase travel packages via OTMPC's www.ontariotravel.net consumer website, sent more than 41,000 leads to industry partners. More than 450,000 (English and French) copies of the summer *ONTARIO* magazine were distributed via Ontario Travel Information Centres, Regional Travel Information Centres, 1-800-ONTARIO and newspapers province-wide including the *Toronto Star, Ottawa Citizen, North Bay Nugget* and *Le Droit*. The OTMPC also launched its first tablet edition of the *ONTARIO* magazine. The digital edition included the same features as its print counterpart, plus additional digital content and won gold in the Best Cross-Platform category of the Canadian Online Publishing Awards. Brand awareness of Ontario for short getaways was slightly lower than targeted in Ontario (60% actual vs. 65% target), and in Montreal (31% actual vs. 38% target), while awareness remained on target in the U.S. near border markets (15% actual vs. 16% target).

In early June, OTMPC held a series of promotions during Tourism Week including a consumer event at Yonge/Dundas Square in Toronto. Over 20 operators participated in this exciting event to promote summer travel in Ontario. Hundreds of industry partners from around the province participated in activities at travel centres and donated approximately $12,000 in grand prizes for a provincial contest. The efforts generated ad coverage valued at more than $102,500 and an audience reach of more than 13.9 million people.

Winter

The winter campaign included 30-second "My Ontario" radio ads highlighting family experiences; English and French banner ads on popular sites such as Yahoo, The Weather Network, www.Cineplex.ca, Rogers Women's network and Facebook; a winter website (www.ontariotravel.net/winter) with a "Book Two Nights and Get The Third Night Free" offer for families, couples and outdoor enthusiasts; a "Get Outside and Enjoy Winter...In Canada's Capital" media event in partnership with Ottawa Tourism that promoted winter experiences to more than

70 journalists, including *Toronto Star*, *explore* magazine, Sun Media and CTV's Canada AM. The winter tablet included more interactive features for users such as an events calendar and a variety of digital images, sounds and videos that worked together to bring a new travel experience to the user. Brand awareness for short getaways during the winter season was slightly lower than targeted for Ontario (60% actual vs. 63% target).

International Indian Film Academy (IIFA) Awards

OTMPC leveraged the 12th annual IIFA Awards, which attracted millions of television viewers worldwide, to profile Ontario as an international destination. OTMPC implemented a consumer campaign promoting the IIFA weekend to South Asian communities around the world, encouraging future visits to Ontario. The campaign included print advertising in South Asian papers in Ontario and the U.S., choreographed flash mob dances at two of the busiest intersections in Toronto which were also posted on YouTube, familiarization tours for travel writers from the U.K., India and U.S., and a media event in New York during CTC's Canada Media Marketplace aimed at U.S.-based travel writers. An online campaign (www.IIFA2011Toronto.com) generated more than 73,000 web visits and more than 18,000 leads to industry packages from January to June 2011. OTMPC also partnered with the CTC on a multi-media promotion targeted to motivate travel agents and tour operators to sell Ontario packages in markets with large South Asian populations (i.e., U.K., U.S., Trinidad-Tobago and India).

U.S. – New York, Boston and Washington

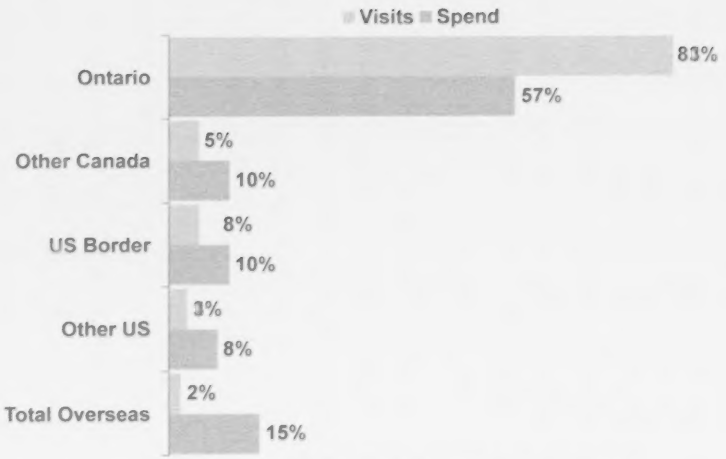
OTMPC implemented two multi-media campaigns with Condé Nast and *National Geographic Traveler* showcasing Ontario to reach the U.S. target audience. As a result, Ottawa Tourism reported a 28% increase in U.S. bookings due to these campaigns. The National Geographic "Digital Nomad Where's Andrew" YouTube page generated more than 46,500 visits and more than 9,600 views, while Twitter saw a follower increase of 30%. The Condé Nast campaign generated 100,000 subscribers to *The New Yorker* iPad edition and 73% of consumers took action (higher than average of 61% for print readers).

International Markets

OTMPC partnered with the CTC on a number of promotions in international markets to drive consumers to visit Ontario. In the U.K. and France, OTMPC partnered with the CTC on winter and summer campaigns that generated a response of more than 166,000 consumers visiting the campaign websites. OTMPC sent more than 13,000 leads to tour operators.

Among the emerging markets, in China, OTMPC partnered with the CTC on phase three of a winter campaign to drive consumers to purchase with a strong

Share of Ontario Visits and Expenditures by Market



* Expenditures include airfares on Canadian carriers.

U.S. Border States: New York, Michigan, Pennsylvania, Ohio, Illinois, Wisconsin, and Minnesota

Source: Statistics Canada; Travel Survey of Residents of Canada and the International Travel Survey 2010

call-to-action to tour operator partners. OTMPC also partnered with Tourism Toronto to provide marketing support for Shanghai Spring Travel's campaign of print and retail outlets. In total, this resulted in more than 280 visitors to Canada in 2011 and close to 700 visitors who are expected in 2012.

In India, OTMPC partnered with the CTC on a multi-media (online, radio and print) consumer campaign in Delhi, Mumbai and Bangalore to highlight key experiences.

As well, OTMPC engaged with TO2015 to develop a tourism strategy related to the Pan/Parapan Am Games.

Program	Objective	Performance Measure	Season	2010-11 Actual	2011-12 Target	2011-12 Results
Build a strong brand that showcases Ontario's diverse experiences	To increase Ontario's brand awareness in all four seasons in key markets (domestic & U.S.) in order to stimulate travel to Ontario	Awareness of Ontario for short getaways through use of market based consumer surveys (which destination or place first comes to mind when thinking of taking a short getaway of 1 to 3 days away from home)	Summer Winter	Ont Montreal U.S. Near 67% 34% 16% 58%	Ont Montreal U.S. Near 65% 38% 16% 59% 30% 10%	Ont Montreal U.S. Near 60% 31% 15% 60%
	To strengthen Ontario's distinct brand image versus the competition			Ont Montreal U.S. Near U.S. Mid	Ont Montreal U.S. Near U.S. Mid	Ont Montreal U.S. Near U.S. Mid
		Good place for short getaways	S W	8.7 7.5 7.7 6.3 8.6	8.7 7.5 7.7 6.3 8.6	8.6 7.6 7.5 6.4 8.6
		A place where it is easy to have a vacation	S W	8.6 7.9 7.5 7.1 8.6	8.6 7.9 7.5 7.1 8.6	8.6 7.9 7.5 7.3 8.6
		A place that has a lot to see and do	S W	8.5 7.9 8.1 7.8 8.6	8.5 7.9 8.1 7.8 8.6	8.6 7.7 8.1 7.6 8.6
		A place where you can experience something new and different	S W	7.8 7.1 7.7 7.6 7.6	7.8 7.1 7.7 7.6 7.6	7.9 7.0 7.5 7.8 7.7
Core Program	To increase return on brand and partnered program investments made by OTMPC	Return on Investment (ROI) is the incremental visitor spending for every dollar invested by OTMPC through brand and partnered programs for Ontario	S W	Ont $15.10:1 $27.70:1	Ont $5.50:1 $5.50:1	Ont $15.50:1 $76.50:1
Media/Public Relations (PR)	To develop effective media promotions strategies that showcase Ontario's unique experiences	Program's operational costs leverage significant advertising value (value of unpaid article or media coverage if OTMPC was to purchase coverage in key markets) in all priority markets		$163M	$41.75M[3]	$64.9M

2 Respondents to the Advertising Tracking Study were asked the extent to which any OTMPC advertising they have seen or heard within the past few months influenced their decision to take any getaways trips within Ontario during the respective travel season. Calculation of the ROI is based on those who definitely recall at least one (any) summer ad and state that Ontario advertising significantly influenced their decision to travel within Ontario.

3 PR Value measurement has been changed to Ad Value measurement to stay consistent with industry best practices.

3 EFFECTIVE PARTNERSHIPS:

Expand and align partnerships.

Throughout the year, OTMPC supported various industry partner initiatives that aligned with its marketing priorities in key markets around the world.

In **Ontario**, OTMPC supported 122 festivals and events through TEMPP to help them promote and encourage more visitors to travel around the province. OTMPC also partnered with Festivals and Events Ontario to produce more than 250,000 copies of the *2011-12 Festivals and Events in Ontario* guide and with Attractions Ontario to produce and distribute more than 900,000 copies of the *2011 Attractions Ontario Passport* magazine and coupon book.

In **overseas markets**, OTMPC's partnership with German toy manufacturer Steiff featuring Emil the Moose, Air Canada and DERTOUR, to promote Ontario fly-drive product was a success with German consumers. In the first four months following the launch in mid-November, the campaign website received more than 26,200 responses and 10,600 contest entries, while the Facebook page secured more than 1,000 fans online. DERTOUR was pleased with sales for the fly-drive package for the first year.

In order to provide education and networking opportunities for the Ontario tourism industry, OTMPC partnered with the Tourism Industry Association of Ontario for the fourth time to produce the **Ontario Tourism Summit** in Hamilton, Ontario. The Summit annually draws approximately 500 registered delegates from all regions of the province. Delegates include representatives from all sectors of the Ontario tourism industry including destination marketing organizations, regional tourism organizations, attractions, tourism organizations and associations, the accommodation sector, as well as suppliers to the industry and government representatives.

Program	Objective	Performance Measure	2010-11 Actual	2011-12 Target	2011-12 Results
Industry Partnerships	To develop partnered (public and private) programs with the tourism industry thereby leveraging OTMPC's marketing investment for the benefit of Ontario's tourism industry	Cash – dollar amount received by OTMPC from a partner for participation in OTMPC delivered programs	$1.6M	$1.4M	$2.0M
		Leverage – the dollar amount that OTMPC's investment in a partner's program (private and public) triggers in additional investment	$11.0M	$11.0M	$11.4M
	To increase revenues as a result of advertising sales	Direct sales revenues	$1.3M	$1.3M	$1.4M
	To increase revenues generated through advertising sales, merchandising and currency exchange services	OTC revenues	$.2M	$.2M	$.2M
Ontario Tourism Summit	Raise awareness of OTMPC and its activities to stakeholders to engage and align industry partnerships	Number of delegates attending	369	400	472[A]
		Overall delegate satisfaction with conference	4.2/5	3.6/5	3.7/5

[A] Registration fee increased in 2011 by more than 50% in order to cover increasing conference costs.

Note: OTMPC's investment in partner-led marketing initiatives is partially matched by partners thereby increasing the amount of marketing to consumers and driving increased visitation for the overall benefit of the province.

4 STRONG TEAM:
Improve organizational excellence.

Improving organizational effectiveness is a key commitment for OTMPC. The organization's corporate priorities include: having a visitor focus; striving for marketing excellence; and building and maintaining effective partnerships through a strong, results-driven team. OTMPC annually commissions an independent research consultant to conduct a stakeholder satisfaction survey.

In 2011-12, OTMPC was able to maintain a high satisfaction rating for its overall performance, value for money and for its programs and services. Staff continues to be rated very highly and significant improvements have been made in satisfaction with outreach to industry.

Program	Objective	Performance Measure	2010-11 Actual	2011-12 Target	2011-12 Results
Organizational Effectiveness	To improve industry satisfaction with OTMPC programs and services	Industry satisfaction with OTMPC programs and services	6.6/10	6.5/10	6.9/10
Employee Engagement Survey	To improve organizational effectiveness	Measure degree to which employees feel engaged	75%	Survey Conducted in 2010/2011	N/A

5 RESULTS DRIVEN:

Build OTMPC's reputation as a high-performing tourism marketer.

OTMPC's Board of Directors approved a balanced scorecard approach to performance measurement in 2011 that will help assess progress on strategic directions for 2012-13. Four major goals included contributing to economic impact, delivering marketing excellence, building enhanced partnerships and sustaining organizational effectiveness.

In the summer of 2011, OTMPC was certified as Level 1 of the National Quality Institute's (NQI) organizational excellence standards. This program is designed to ensure that organizations have strong leadership and a fully engaged and trained staff working at their potential, embed values of innovation, creativity and fun, enhance internal communication to staff and support a culture of continuous improvement.

Additionally, OTMPC's stakeholder survey continues to be an important tool to gauge industry satisfaction with OTMPC programs and services. As in past years, OTMPC developed an annual action plan and strategies to continually improve the quality of programs and services.

OTMPC BALANCED SCORECARD PILOT

- Measure on track
- Measure concerns
- Measure not achievable/not achieved

FINANCIAL STATEMENTS

For the year ended March 31, 2012

This year, in addition to OTMPC's core allocation of $42,763,000 the Ministry of Tourism, Culture and Sport provided additional funding in the amount of $6,093,000 for strategic projects. These projects included funding for marketing in the amount of $5,164,800 for the "My Ontario" television campaign, $248,000 to undertake the Canada's Great Outdoors marketing campaign focusing on angling and soft outdoor adventure in the key markets of Illinois, Wisconsin and Minnesota and $275,000 for the student Summer Experience Program that provides students with summer work experience in the travel industry. Revenue from industry and other sources increased by approximately 10% mainly due to new partnerships with the RTOs.

Expenditures were on target with budget. OTMPC finished the year in a strong position with a modest surplus that was a result of research and information technology projects that were not completed by March 31 due to project timelines.

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MANAGEMENT REPORT

The accompanying financial statements are the responsibility of the management of the Ontario Tourism Marketing Partnership Corporation. The financial statements have been prepared by management in accordance with Canadian generally accepted accounting policies. The statements include certain amounts based on estimates and judgements. Management has determined such amounts on a reasonable basis in order to ensure that the financial statements are presented fairly, in all material respects.

Management maintains a system of internal accounting and administrative control that is designed to provide reasonable assurance the financial information is relevant, reliable and accurate and that the Corporation's assets are properly accounted for and adequately safeguarded.

The financial statements have been audited by BDO Canada LLP, a firm of independent external auditors appointed by the Board of Directors, whose report follows.

Ronald Holgerson
President and CEO
June 5, 2012

Lidia Maleckyj
Treasurer
June 5, 2012

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Ontario Tourism Marketing Partnership Corporation

We have audited the accompanying financial statements of Ontario Tourism Marketing Partnership Corporation, which comprise the balance sheet as at March 31, 2012, statement of operations, statement of changes in fund balances, and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Ontario Tourism Marketing Partnership Corporation as at March 31, 2012 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

BDO Canada LLP

Chartered Accountants, Licensed Public Accountants

Mississauga, Ontario
June 5, 2012

BALANCE SHEET

OTMPC 2011-2012

March 31	2012 ($ 000)	2011 ($ 000)
ASSETS		
Current		
Cash	10,039	6,205
Accounts receivable	1,192	1,733
Due from the province	5,165	10,881
Inventory	41	106
Prepaid expenses	467	106
	16,904	19,031
Capital assets (Note 3)	3,506	4,474
	20,410	23,505
LIABILITIES AND EQUITY		
Current		
Accounts payable and accrued liabilities	4,844	6,817
Deferred revenue (Note 4)	3,190	9,785
	8,034	16,602
Deferred capital contributions (Note 5)	689	560
	8,723	17,162
Contingent liabilities (Note 12)		
Fund Balances		
Investment in capital assets	2,817	3,914
Special projects fund (Note 2h)	6,770	-
Unrestricted fund	2,100	2,429
	11,687	6,343
	20,410	23,505

Approved on behalf of the Board:

Chair

Director

STATEMENT OF OPERATIONS

OTMPC 2011-2012

For the year ended March 31	2012 ($ 000)	2011 ($ 000)
Revenues		
Province of Ontario Grant (Note 6)	**48,856**	44,981
Advertising sales	**2,694**	2,273
Travel Information Centres - Sales and rentals	**925**	908
Interest income	**149**	81
Trade promotions	**244**	203
Amortization of deferred contribution	**121**	-
Government of Canada	**-**	96
Marketing research and other revenue	**85**	176
	53,074	48,718
Expenses		
Advertising and marketing	**29,634**	24,139
Partnerships and sales	**948**	1,713
Travel Information Centres (Note 7)	**6,689**	6,841
Administration (Note 8)	**7,181**	7,079
Tourism consumer information system	**3,586**	2,870
Events marketing program	**2,376**	2,908
Research	**908**	949
Amortization of capital assets	**1,364**	1,121
Board and committee expenses (Note 9)	**44**	31
	52,730	47,651
Excess of revenues over expenses	**344**	1,067

STATEMENT OF CHANGES IN FUND BALANCES

OTMPC 2011-2012

For the year ended March 31	Unrestricted Fund ($ 000)	Special Projects Fund ($ 000)	Investment in Capital Asset ($ 000)	2012 Total ($ 000)	2011 Total ($ 000)
Net assets, beginning of the year	2,429	-	3,914	6,343	5,276
Excess (deficiency) of revenues over expenditures for the year	1,708	-	(1,364)	344	1,067
Transfer from deferred revenue for TCIS redevelopment project	-	5,000	-	5,000	-
Reserve for TCIS redevelopment project	(1,770)	1,770	-	-	-
Purchase of capital assets, net	(267)	-	267	-	-
Net assets, end of year	2,100	6,770	2,817	11,687	6,343

STATEMENT OF CASH FLOWS

OTMPC 2011-2012

For the year ended March 31	2012 ($ 000)	2011 ($ 000)
Cash provided by operating activities		
Excess of revenues over expenses	**344**	1,067
Add non-cash items:		
Amortization of capital assets	**1,364**	1,121
	1,708	2,188
Change in non-cash working capital	**2,393**	1,778
	4,101	3,966
Cash used in investing activities		
Capital asset additions	**(396)**	(1,457)
Cash obtained through financing activities		
Deferred capital contribution	**129**	560
Increase in cash during the year	**3,834**	3,069
Cash, beginning of year	**6,205**	3,136
Cash, end of year	**10,039**	6,205

NOTES TO FINANCIAL STATEMENTS

OTMPC 2011-2012

1. NATURE OF CORPORATION

The Ontario Tourism Marketing Partnership Corporation (OTMPC) was established as a corporation without share capital on November 30, 1998 pursuant to Ontario Regulation 618/98 made under the *Development Corporations Act*. The Regulation was amended by Ontario Regulation 271/04 in September, 2004 to extend the mandate of the Corporation indefinitely. The Corporation commenced active operations on April 1, 1999. The objects of the Ontario Tourism Marketing Partnership Corporation are:

(a) to market Ontario as a travel destination;
(b) to undertake joint marketing initiatives with the tourism industry;
(c) to support and assist the marketing efforts of the tourism industry; and
(d) in co-operation with the tourism industry, the Government of Ontario, other governments and other agencies of governments, to promote Ontario as a travel destination.

The Corporation enters into agreements with private and public sector partners in order to add value to tourism marketing programs. The Corporation tracks the dollar value (leverage, in-kind) of such agreements to demonstrate the impact of the Corporation's investment on the partnered marketing programs. However, related partner revenues and expenses are not included in the Corporation's financial statements.

The Corporation is a not-for-profit organization, and thus not subject to income tax.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

The financial statements are the representations of management and are prepared in accordance with Canadian generally accepted accounting principles.

(b) Revenue Recognition

The corporation follows the deferral method of accounting for revenues.

Province of Ontario Grant

The Corporation is funded primarily by the Province of Ontario. Operating grants are recorded as revenue in the period to which they relate. Grants approved but not received at the end of an accounting period are accrued. Where a portion of a grant is related to a future period, it is deferred and recognized in a subsequent period.

Advertising Sales and Travel Information Centres – Sales and rentals

Revenue from Advertising sales and Travel Information Centres – Sales and rentals is recognized in the period in which the service is provided or the program is run, the amount can be reasonably estimated and collection is reasonably assured.

Interest Income

Interest Income is recognized in the period in which it is earned.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Other
Other revenue items are recognized in the period in which they relate, when the amount can be reasonably estimated and collection is reasonably assured.

(c) Partner Support
The Corporation benefits from donated services provided by the tourism industry, such as transportation costs (airline and bus tickets), and accommodation and meal costs (discounted or free hotel rooms and restaurant charges). Because of the difficulty of determining their fair value, donated services are not recognized in the financial statements.

(d) Inventory
Inventory is comprised of merchandise available for sale at the Travel Information Centres.

Inventory is stated at the lower of cost and net realizable value. Cost is determined on a first-in, first-out basis.

(e) Capital Assets
All capital assets are recorded at cost. Amortization is provided on a straight-line basis over the estimated useful life of the asset, with half a year amortization taken in the year of acquisition and disposition. All capital assets are amortized over three to five years.

Assets in progress represent assets under construction or development. These assets are not amortized until they are put in use.

(f) Deferred Capital Contributions
Deferred capital contributions represent amounts received from Ministry of Tourism, Culture and Sport to finance the acquisition of capital assets. The amortization of deferred capital contributions is recorded as revenue in the statement of operations on the same basis as the amortization of the related assets.

(g) Funds Invested in Capital Assets
Funds invested in capital assets represents funds provided for capital assets. The financing of funds invested in capital assets is transferred from operations on an annual basis.

(h) Special Projects Fund
The Board approved the creation of a Special Projects Fund to provide for longer term special projects. The Fund represents externally and internally restricted funds required to meet financial costs of long-term special projects approved by the Board. At this time $5,000,000 of externally restricted funds and $1,770,000 of internally restricted funds are being held for the Tourism Consumer Information System redevelopment project. It is expected that an RFP will be issued in the summer of 2012 and that the project will be contracted by late fall, to start soon after that.

(i) Use of Estimates
The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires

management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates as additional information becomes available in the future.

(j) Financial Instruments

Unless otherwise noted, it is management's opinion that the Corporation is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

The Corporation classifies its financial instruments into one of the following categories based on the purpose for which the asset was acquired. The Corporation's accounting policy for each category is as follows:

Loans and receivables

These assets are non-derivative financial assets, recognized at fair value, resulting from the delivery of cash or other assets by a lender to a borrower in return for a promise to repay on a specified date or dates, or on demand. They arise principally through the provision of services to customers (accounts receivable and due from the province), but also incorporate other types of contractual monetary assets.

Other financial liabilities

Other financial liabilities are recognized at fair value and include trade payables and other short-term monetary liabilities.

(k) Capital Management

The Corporation's capital consists of its fund balances. The Corporation's primary objective of capital management is to ensure that it has sufficient resources to continue to promote tourism in Ontario. The Corporation is not subject to any externally imposed capital requirements.

3. CAPITAL ASSETS

	2012 ($ 000)			2011 ($ 000)
	Cost	**Accumulated Amortization**	**Net Book Value**	Net Book Value
Furniture	**395**	**247**	**148**	153
Leasehold improvements	**1,565**	**1,085**	**480**	800
Tourism consumer information system	**5,833**	**2,993**	**2,840**	2,311
Assets in progress	**38**	**-**	**38**	1,210
	7,831	**4,325**	**3,506**	4,474

4. DEFERRED REVENUE

	2012 ($ 000)	2011 ($ 000)
Ministry of Tourism, Culture and Sport		
Regional web	**-**	140
TCIS – redevelopment (Note 2h)	**-**	5,000
Research – RTO projects	**1,000**	1,000
RTO Project funding	**-**	454
OTICs	**50**	200
TEMPP	**-**	160
Convention development fund	**1,926**	2,750
Research - RTO Projects	**150**	-
Advertising programs	**64**	81
	3,190	9,785

5. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions represent contributions received relating to acquisition of capital assets:

	2012 ($ 000)			2011 ($ 000)
	Contributed	**Accumulated Amortization**	**Net Book Value**	Net Book Value
Contributions received	**810**	**121**	**689**	560

6. REVENUE: PROVINCE OF ONTARIO

The Corporation received funding from the Province as follows:

	2012 ($ 000)	2011 ($ 000)
Core funding	**38,432**	38,760
Travel Information Centres	**4,331**	4,331
Media Buys	**5,165**	66
Great Outdoors Project	**248**	351
Events Marketing	**160**	314
International Indian Film Awards	**15**	660
TCIS Solutions Architect and Grants Review	**40**	145
National Geographic Marketing re RTOs	**190**	-
Summer Experience Program	**275**	354
	48,856	44,981

7. TRAVEL INFORMATION CENTRES

The expenditures for the Travel Information Centres are as follows:

	2012 ($ 000)	2011 ($ 000)
Salaries and benefits	**3,505**	3,577
Accommodation	**1,979**	1,927
Services	**348**	502
Transportation and communications	**198**	197
Supplies and equipment	**112**	73
Merchandise for sale	**547**	565
	6,689	6,841

Included in salaries and benefits are contributions to the PSPF and OPSEU pension funds for the year of $184 (2011 - $167).

8. ADMINISTRATIVE EXPENSES

Certain costs of administration such as legal and human resources support services were provided by the Ministry of Tourism, Culture and Sport without charge. All other administrative expenses are borne by the Corporation and are as follows:

	2012 ($ 000)	2011 ($ 000)
Salaries and benefits	**5,777**	5,863
Services	**1,218**	1,046
Transportation and communications	**150**	136
Supplies and equipment	**36**	34
	7,181	7,079

The Corporation provides pension benefits for all its full-time employees through participation in the Public Service Pension Fund (PSPF) and the Ontario Public Service Employees' Union Pension Fund (OPSEU Pension Fund) which are both multi-employer defined benefit pension plans established by the Province. These plans are accounted for as defined contribution plans, as the Corporation has insufficient information to apply defined benefit plan accounting to these pension plans. Included in salaries and benefits are contributions to the PSPF and OPSEU pension funds for the year of $381 (2011 – $362).

Costs of post-retirement non-pension employee benefits are paid by the Management Board Secretariat and are not included in administrative expenses.

9. BOARD AND COMMITTEE EXPENSES

Board and committee members are reimbursed for travel expenses incurred to attend board of directors and related committee meetings. Board and committee members do not receive per diems to attend board and committee meetings.

10. SALARY DISCLOSURE

Section 3(5) of the *Public Sector Salary Disclosure Act, 1996* required disclosure of Ontario public-sector employees who were paid an annual salary in excess of $100,000. For the Corporation, in the calendar year 2011, this disclosure requirement is as follows:

Name	Position	Salary ($)	Taxable Benefits ($)
Kenny, William	Vice President, Industry Relations	$138,148	$196
Guiry, Liana	Vice President, Marketing	$125,632	$000
Rubinstein, Suzanne	Director, Ontario Travel Information Centres	$116,349	$164
Milner, Christopher	Director, Northern Partnerships	$114,141	$164
Mathias, Raymond	Director, Overseas Marketing	$114,141	$164
Holliday, Julia	Director, Interactive Marketing and Call Centres	$113,634	$164
Hamazaki, Harvey	Trade Consultant, Asia	$109,895	$193
Ramkissoonsingh, Narvin	Director, Partnerships	$109,568	$159
Pezzutto, Mara	Manager, North America Marketing	$106,892	$154
Forgacs, Katalin	Manager, Research	$104,517	$148
Tuckett, Debbie	Projects Co-ordinator, Industry Relations	$103,070	$140
Nahm, Jane	Manager, Operations	$101,723	$147

11. COMMITMENTS

The corporation has various operating leases for its premises and advertising. The minimum annual payments for the next five years and thereafter are as follows:

	($ 000)
2013	987
2014	886
2015	796
2016	576
2017	568
Thereafter	663

12. CONTINGENT LIABILITY

The Corporation is involved in legal matters, the outcomes of which are not within the Corporation's complete control and may not be known for prolonged periods of time. The Corporation records a liability in the financial statements when the loss is known or considered likely and the amount can be reasonably estimated. Should any loss result from the resolution of these matters, such loss would be charged against income in the year the claim is determined. Management is confident that any liability arising from these matters will have no material impact on the financial statements.